

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

ADJUSTMENT OF RATES OF)	
CLARK RURAL ELECTRIC)	CASE NO. 8575
COOPERATIVE CORPORATION)	

O R D E R

IT IS ORDERED that Clark Rural Electric Cooperative Corporation ("Clark") shall file an original and seven copies of the following information with this Commission, with a copy to the Attorney General's Division of Consumer Protection, by January 18, 1983. Where a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), page 2 of 5. Include with each response the name of the witness who will be available at the public hearing to respond to questions relating to the information provided. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

Information Request No. 3

(1) Clark requested net operating income of \$1,216,562, provide an explanation of the basis for the requested revenue requirements.

(2) Provide a description of the type of investments which comprise the temporary investment account (C.D.'s, bonds etc.). Also indicate the level of earnings on each type of investment for the test year.

(3) Provide a description of KAEC's policy concerning the payment of capital credits assigned.

(4) Provide the following concerning the telephone system purchased from Cedco, Inc., in August 1981:

- a) The annual cost of leasing the system previously used.
- b) The date the new system became operable.
- c) An analysis of all costs of the old system which are included in the test period.

(5) During the test period Clark began the use of Network Computing Corporation for the processing of its billing and collection function. Provide the following concerning this change:

- a) A description of the billing and collecting function prior to the change to Network Computing Corporation.
- b) An explanation of the reason for the change.
- c) An analysis of the total annual cost of billing and collection services prior to the use of Network Computing Corporation as well as after.

(6) The Commission in its second information request required Clark to provide a brief explanation of the increase in several expense accounts. Clark in its response number 3, items a, b, and c, provided an analysis of the accounts in question but failed to provide an explanation for the increased expense level.

Provide a brief explanation for the increased level of expense of the accounts identified in the Commission's request number 2 item 3a, b and c.

(7) Provide an analysis of the contract work included in Account 593, Maintenance of Overhead Lines for the test period and the prior year. Identify all principle contractors and explain the work performed by each.

(8) Provide the following concerning Clark's life, medical, disability, and accident insurance.

- a) A description of any changes in benefits or coverages occurring during the test period.
- b) An explanation of the accounting entries for the coop's insurance cost and the timing of the entries. Explain the change in monthly cost and describe any discounts offered by the insuring companies and Clark's policy concerning those discounts.
- c) An explanation in as much detail as is available to Clark for the increase in insurance rates.

Done at Frankfort, Kentucky, this 6th day of January, 1983.

PUBLIC SERVICE COMMISSION

ATTEST:


By the Commission

Secretary